

Program Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2006	PL Base Adjustment Fiscal 2008	New Proposals Fiscal 2008	Total Leg. Budget Fiscal 2008	PL Base Adjustment Fiscal 2009	New Proposals Fiscal 2009	Total Leg. Budget Fiscal 2009	Total Leg. Budget Fiscal 08-09
FTE	56.10	0.00	0.00	56.10	0.00	0.00	56.10	56.10
Personal Services	3,094,418	241,505	205,531	3,541,454	255,351	363,362	3,713,131	7,254,585
Operating Expenses	13,758,257	1,785,785	0	15,544,042	1,708,957	0	15,467,214	31,011,256
Equipment	0	0	0	0	0	0	0	0
Debt Service	307,596	0	0	307,596	0	0	307,596	615,192
Total Costs	\$17,160,271	\$2,027,290	\$205,531	\$19,393,092	\$1,964,308	\$363,362	\$19,487,941	\$38,881,033
General Fund	6,474,663	1,048,676	78,870	7,602,209	1,012,649	147,395	7,634,707	15,236,916
State/Other Special	645,254	68,948	9,847	724,049	75,006	18,402	738,662	1,462,711
Federal Special	10,040,354	909,666	116,814	11,066,834	876,653	197,565	11,114,572	22,181,406
Total Funds	\$17,160,271	\$2,027,290	\$205,531	\$19,393,092	\$1,964,308	\$363,362	\$19,487,941	\$38,881,033

Program Description

The Technology Services Division (TSD), formerly the Operations and Technology Division, is responsible for all agency information technology. TSD has four bureaus: External Systems Bureau, Information Systems Bureau, Network and Communications Bureau, and Business Strategies and Operations Bureau. The bureaus provide support in operational and technological areas critical to DPHHS in the following manner:

- **The External Systems Bureau** is engaged in project management, using outside contractors to develop and manage major data systems. These systems include:
 - SEARCHS - The System for Enforcement and Recovery of Child Support, which performs automated financial management of child support activities including collections, absent parent location, paternity establishment, and order modifications for child support enforcement
 - CAPS - The Child & Adult Protective Services System, an automated social services information system covering all major program areas of child and adult protective services and juvenile corrections including case management and payment processing functions
 - TEAMS - The Economic Assistance Management System, performing on-line eligibility determination for food stamps, Temporary Assistance for Needy Families (TANF), and Medicaid programs
 - CHIMES - the Combined Healthcare Information and Medicaid Eligibility System that replaces the Medicaid Eligibility component in TEAMS
 - CCUBS - Child Care Under the Big Sky, performing automated eligibility determination, case maintenance, payment, and reporting of day care benefits
 - MMIS - The Montana Medicaid Information System, a medical provider claims processing, payment, and information retrieval system (direct management of this system is in the Director's Office)
 - The MONTANA ACCESS Program - an electronic benefit transfer (EBT) system that provides on-line distribution of food stamp benefits, TANF cash assistance, and child support collections
 - TESS - The Eligibility Screening System, automating eligibility functions with two components, one for the Children's Health Insurance Plan (CHIP) and one for the Mental Health Service Plan (MHSP)
- **The Information Services Bureau** provides database management, user help desk, and internal system development. Systems developed and maintained by internal programmers include:
 - ISERV-- Information Services - time recording (electronic time sheets) and travel reimbursement

- PERQS -- Purchasing, Entry, Receiving and Query System - purchasing and accounts payable system
 - AWACS -- Agency wide Accounting and Client System - payment data base, and
 - MICRS -- Montana Integrated Cost Recovery System - institutional reimbursement system (all financial systems).
- **The Network and Communications Bureau** provides computer networking and desktop services to all agency employees
 - **The Business Strategies and Operations Bureau** provides business, strategic, financial, human resources and facilities management to the Technology Services Division

Statutory authority is in Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Program Highlights

Technology Services Division Major Budget Highlights	
◆	The 2009 biennium budget is 6 percent greater than the 2007 biennium budget due to statewide present law adjustments, the legislatively approved pay and retirement plans, and on-going systems support
◆	The division received \$60.0 million in total funds for long-range Internet technology projects over the 2009 and 2011 biennia comprising a general fund appropriation of \$12.7 million and \$17.5 million respectively. The 2009 biennium appropriation of \$26.3 million contains \$12.7 million general fund and \$13.6 million federal special revenue.

Program Narrative

Formerly known as the Operations and Technology Division, this division was renamed the Technology Services Division (TSD) following a reorganization that moved the Internal Support, Budget, and Vital Records units to the Business and Financial Services Division (BFSD). The reorganization was established at the onset of the 2007 biennium.

The growth in personal services, operating costs, and the related increases in the general and state special funds reflected in Figure 32 are primarily due to: 1) the implementation of legislatively approved pay and retirement plans comprising \$0.6 million in total funds via HB 13, HB63, and HB131; and 2) nearly \$0.5 million for on-going system support and a contract increase in present law proposals; as well as 3) state wide present law adjustments.

The Division by Function

The following Figure 33 summarizes TSD funding by function. Nearly 67 percent of the division's expenditures are projected to support contracted computer development and maintenance. These systems provide a wide variety of services related to program eligibility determination, claims processing, data collection, case management support, and payment processing.

Figure 32 2007 Biennium Compared to 2009 Biennium Technology Services Division					
Budget Item/Fund	2007 Biennium	2009 Biennium	Percent of Total	Change	Percent Incr/Decr
FTE	56.10	56.10		-	
Personal Services	\$6,252,633	\$7,254,585	18.7%	\$1,001,952	16.0%
Operating	29,831,663	31,011,256	79.8%	1,179,593	4.0%
Equipment	1	-	0.0%	(1)	-100.0%
Debt Service	590,387	615,192	1.6%	24,805	4.2%
Total Costs	<u>\$36,674,684</u>	<u>\$38,881,033</u>	<u>100.0%</u>	<u>\$2,206,349</u>	<u>6.0%</u>
General Fund	\$13,089,452	\$15,236,916	39.2%	\$2,147,464	16.4%
State Special	1,254,645	1,462,711	3.8%	208,066	16.6%
Federal Funds	<u>22,330,587</u>	<u>22,181,406</u>	<u>57.0%</u>	<u>(149,181)</u>	<u>-0.7%</u>
Total Funds	<u>\$36,674,684</u>	<u>\$38,881,033</u>	<u>100.0%</u>	<u>\$2,206,349</u>	<u>6.0%</u>

The substantial increase in network and communications services is a result of the Department of Administration (DOA) assessment of \$2.7 million in FY 2008 and \$2.9 million in FY 2009 for the data network server. The department moved the costs that were formerly assessed to several divisions to a central location in the TSD budget for ease of billing, payment, and the cost allocation process. The Budget and Analysis increase funds one new financial specialist FTE transferred from BFSB during the reorganization process.

Figure 33
Technology Services Division
Summary of Funding by Function

Function	Fiscal 2006 Actual		Fiscal 2008 Appropriated		Fiscal 2009 Appropriated		2009 Biennium		Percent Increase	Percent of Division
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds		
Centralized Services										
Division Administration	\$171,567	\$449,910	\$ 126,226	\$ 329,716	\$ 194,837	\$ 487,773	\$321,063	\$817,489	-9.1%	2.1%
Budget and Analysis	6,275	7,835	46,171	57,649	46,591	58,174	92,762	115,823	639.1%	0.3%
Network and Communications Svcs.	526,810	1,323,468	1,846,524	4,075,772	1,919,176	4,228,563	3,765,700	8,304,335	213.7%	21.4%
Information Systems Bureau	678,132	1,618,081	749,007	1,787,194	752,628	1,795,835	1,501,635	3,583,029	10.7%	9.2%
Total Centralized Services	<u>\$1,382,784</u>	<u>\$3,399,294</u>	<u>\$2,767,928</u>	<u>\$6,250,331</u>	<u>\$2,913,232</u>	<u>\$6,570,345</u>	<u>\$5,681,160</u>	<u>\$12,820,676</u>	<u>88.6%</u>	<u>33.0%</u>
Contracted Computer Systems										
TEAMS	\$2,461,683	\$6,840,386	2,457,130	6,733,603	2,343,885	6,507,631	\$4,801,015	\$13,241,234	-3.2%	34.1%
SEARCHS	668,965	2,913,316	645,419	2,810,776	645,419	2,810,776	1,290,838	5,621,552	-3.5%	14.5%
CAPS	1,364,099	2,435,848	1,133,607	2,024,265	1,134,020	2,025,001	2,267,627	4,049,266	-16.9%	10.4%
WIC	9,794	9,794	9,783	9,783	9,783	9,783	19,566	19,566	-0.1%	0.1%
Electronic Benefit Transfer (EBT)	580,337	1,561,633	581,341	1,564,334	581,367	1,564,405	1,162,708	3,128,739	0.2%	8.0%
MMIS	7,001	0	7,001	0	7,001	0	14,002	0	0.0%	0.0%
Total Contracted Computer Systems	<u>\$5,091,879</u>	<u>\$13,760,977</u>	<u>\$4,834,281</u>	<u>\$13,142,761</u>	<u>\$4,721,475</u>	<u>\$12,917,596</u>	<u>\$9,555,756</u>	<u>\$26,060,357</u>	<u>-5.3%</u>	<u>67.0%</u>
Total Operations & Technology Div.	<u>\$6,474,663</u>	<u>\$17,160,271</u>	<u>\$7,602,209</u>	<u>\$19,393,092</u>	<u>\$7,634,707</u>	<u>\$19,487,941</u>	<u>\$15,236,916</u>	<u>\$38,881,033</u>	<u>13.3%</u>	<u>100.0%</u>

Legislative Discussion

The TSD 2009 biennium budget is a present law budget, which the legislature discussed in the overarching context of the division's goals and measurable objectives addressing:

- 1) Present law funding for computer system management, maintenance, and web-based security;
- 2) Components in the division goals and objectives that spoke to quality, professional support for statewide users of the DPHHS computer systems, efficient maintenance and enhancement of the systems, and a human resources plan; and
- 3) Increased funding for:
 - a. Information technology projects contained in the long range planning legislation (HB 5 and 830 in the regular session and HB 4 in the special session) for the 2009 and 2011 biennia, and
 - b. the statewide pay plan

In accordance with legislative interest in the use of goals and objectives as part of the legislative decision making process and ongoing program evaluation, legislators included language in HB 2 requesting the division to report its progress toward the goals and objectives throughout the interim to the Legislative Finance Committee and the Children, Families, Health, and Human Services Interim Committee. The goals and objectives for the division may be found at: <http://www.dphhs.mt.gov/2007leg/bfsd.pdf>

The Governor vetoed the language.

The present law requests and the statewide pay plan are discussed in the present law and new proposal section of this write-up. The following is a brief discussion of the long-range Internet Technology projects.

House Bill 4 of the 2007 Special Session

The legislature appropriated \$60.0 million to DPHHS for long-range Internet Technology projects related to TANF, food stamps, child protection, and Medicaid over the 2009 and 2011 biennia through HB 4 of the 2007 Special Session. The total appropriation for the 2009 biennium is \$26.3 million, which includes \$12.7 million general fund and \$13.6 million federal revenue. The percentage of general fund to federal special revenue for the 2009 biennium is shown in Figure 34 on the following page.

The systems addressed by the appropriation are:

- The TEAMS system that presently serves the functions of TANF, Food Stamps, and CHIMES (the Medicaid eligibility piece of TEAMS). All systems run in TEAMS on the mainframe and were developed in the late 1980's with IDMS and COBOL programming that is now outdated making federal mandates difficult and time-consuming to change. The systems will be updated to run on independent platforms. As shown in Figure 33, CHIMES is the furthest along in the programming process and was funded for FY 2008 only. When the CHIMES upgrade is complete, TEAMS will continue to be hosted on the ITSD mainframe until the TANF and the Food Stamp system are completed and moved to new platforms.
- The CAPS funding is for a new, automated Child and Adult Protective Services System information system covering all major program areas of child protection, adult services, juvenile corrections and probation. The current system, developed in 1996, no longer meets the needs of the users and mandated reporting requirements.
- ICD-10 funding is for the federally mandated, new procedure and diagnosis code set for the Medicaid Management Information System for federal coding and reporting. It will replace the current system with 90 percent of the funding coming from the federal government.

While the appropriation allows the department to address needs required by federal mandates, the overarching goal is to have new systems that are easy to maintain and update, and provide more accurate, complete and efficient eligibility determination, produce more accurate and efficient federal reports, and improve program management in the areas of quality control, program security, issuance via the electronic benefit transfer (EBT) system as well as interfaces with other systems (i.e., Social Security, Child Support Enforcement, Dept. of Labor, etc.)

Section 14 of HB 4 provides the funding as well as statements of intent that: 1) business application systems must have a plan approved by the chief information officer for the design, definition, creation, storage, and security of the data associated with the application system; 2) information is shared with other state agencies in the design, definition, creation, storage, and security of the data; and 3) the chief information officer with DOA monitors the benchmarks for each project and, with approval of the budget director, distributes the funding. However, outside the bill, the ultimate management of the DPHHS projects falls with TSD, while the appropriation transfer will likely occur between the Department of Administration and the Business and Financial Services Division of DPHHS.

Figure 34 Summary of the Internet Technology Appropriation in Special Session HB 4						
System Design	FY 2008 Estimated	FY 2009 Estimated	Total 2009 Biennium Estimated	Percent of Total Funds for FY 2009	Total 2011 Biennium Estimated	Total Legislation Request
TEAMS System - TANF						
TANF Block Grant	\$2,600,000	\$2,200,000	\$4,800,000	56.8%	\$3,800,000	\$8,600,000
General Fund	<u>5,000</u>	<u>3,650,000</u>	<u>3,655,000</u>	<u>43.2%</u>	<u>3,970,000</u>	<u>7,625,000</u>
Subtotal	2,605,000	5,850,000	8,455,000	100.0%	7,770,000	16,225,000
Food Stamps						
USDA Food & Nutrition	1,055,000	2,430,000	3,485,000	50.0%	3,050,000	6,535,000
General Fund	<u>1,055,000</u>	<u>2,430,000</u>	<u>3,485,000</u>	<u>50.0%</u>	<u>3,050,000</u>	<u>6,535,000</u>
Subtotal	2,110,000	4,860,000	6,970,000	100.0%	6,100,000	13,070,000
CHIMES						
Medicaid	550,000	0	550,000	50.0%	0	550,000
General Fund	<u>550,000</u>	<u>0</u>	<u>550,000</u>	<u>50.0%</u>	<u>0</u>	<u>550,000</u>
Subtotal	1,100,000	0	1,100,000	100.0%	0	1,100,000
CAPS - Child & Adult Protection						
Title IV-E Revenue	204,600	3,669,160	3,873,760	44.0%	8,072,240	11,946,000
General Fund	<u>260,400</u>	<u>4,669,840</u>	<u>4,930,240</u>	<u>56.0%</u>	<u>10,273,760</u>	<u>15,204,000</u>
Subtotal	465,000	8,339,000	8,804,000	100.0%	18,346,000	27,150,000
ICD 10						
Medicaid Revenue	0	900,000	900,000	90.0%	1,800,000	2,700,000
General Fund	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>10.0%</u>	<u>200,000</u>	<u>300,000</u>
Subtotal		1,000,000	1,000,000	100.0%	2,000,000	3,000,000
Total Systems						
Total Federal Funds	4,409,600	9,199,160	13,608,760	51.7%	16,722,240	30,331,000
Total General Fund	<u>1,870,400</u>	<u>10,849,840</u>	<u>12,720,240</u>	<u>48.3%</u>	<u>17,493,760</u>	<u>30,214,000</u>
Total	<u>\$6,280,000</u>	<u>\$20,049,000</u>	<u>\$26,329,000</u>	<u>100.0%</u>	<u>\$34,216,000</u>	<u>\$60,545,000</u>

Funding

The following table shows program funding, by source, for the base year and for the 2009 biennium as adopted by the legislature.

Program Funding Table Technology Services Divi						
Program Funding	Base FY 2006	% of Base FY 2006	Budget FY 2008	% of Budget FY 2008	Budget FY 2009	% of Budget FY 2009
01000 Total General Fund	\$ 6,474,663	37.7%	\$ 7,602,209	39.2%	\$ 7,634,707	39.2%
01100 General Fund	6,474,663	37.7%	7,602,209	39.2%	7,634,707	39.2%
02000 Total State Special Funds	645,254	3.8%	724,049	3.7%	738,662	3.8%
02381 02 Indirect Activity Prog 09	645,254	3.8%	724,049	3.7%	738,662	3.8%
03000 Total Federal Special Funds	10,040,354	58.5%	11,066,834	57.1%	11,114,572	57.0%
03598 03 Indirect Activity Prog 09	10,040,354	58.5%	11,066,834	57.1%	11,114,572	57.0%
Grand Total	\$ 17,160,271	100.0%	\$ 19,393,092	100.0%	\$ 19,487,941	100.0%

The Technology Services Division, formerly Operations and Technology, was renamed following a reorganization in early FY 2006 that moved the Internal Support and Vital Records Bureau to the Business and Financial Services Division and the budget functions and management of the Montana Medicaid Information System to the Director's Office. The TSD is primarily funded with federal funds and general fund through a complex federally approved cost allocation process. Funding for this biennium is 57 percent federal revenue, 39 percent general fund, and 4 percent state special revenue.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget approved by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2008-----					-----Fiscal 2009-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				380,498					394,923
Vacancy Savings				(138,993)					(139,572)
Inflation/Deflation				(94,580)					(94,305)
Fixed Costs				1,522,644					1,673,246
Total Statewide Present Law Adjustments				\$1,669,569					\$1,834,292
DP 6015 - State Motor Pool Rate Change									
0.00	(183)	(18)	(202)	(403)	0.00	(189)	(19)	(208)	(416)
DP 90004 - CAPS System Facilities Mgmt Increase - Restr/OTO									
0.00	61,618	0	48,414	110,032	0.00	61,618	0	48,414	110,032
DP 90007 - Ongoing Support for DPHHS Security System									
0.00	9,112	1,334	9,554	20,000	0.00	9,294	1,361	9,745	20,400
DP 90008 - Ongoing Support for CHIMES - Res./ Bien./OTO									
0.00	114,046	0	114,046	228,092	0.00	0	0	0	0
Total Other Present Law Adjustments									
0.00	\$184,593	\$1,316	\$171,812	\$357,721	0.00	\$70,723	\$1,342	\$57,951	\$130,016
Grand Total All Present Law Adjustments				\$2,027,290					\$1,964,308

Statewide Present Law Adjustments

The increase in fixed costs listed above primarily represents the Department of Administration assessment for network services for the entire agency, which now appears as a total figure in the TSD budget. The department made this adjustment to move costs into a central location for ease of billing, payment, and the cost allocation process.

Present Law Adjustments

DP 6015 - State Motor Pool Rate Change - The funding for vehicle rentals and leases from the State Motor Pool were reduced from the level requested by the Governor.

DP 90004 - CAPS System Facilities Mgmt Increase - Restr/OTO - The legislature appropriated \$220,064 as restricted, one-time-only funding for the Child and Adult Protective Services (CAPS) contract. The funding is for an increase in cost of living and level of effort, which refers to the number of dedicated programming hours (usually 156.7 per month or 1,880 hours per year) that a contractor provides per the terms of the contract for system maintenance. The appropriation is for \$123,236 general fund and \$96,828 federal funds over the biennium.

DP 90007 - Ongoing Support for DPHHS Security System - The legislature provided \$40,400 for the biennium for ongoing maintenance and support for the DPHHS security system, which is a web-based application that has automated the department's security function for management control, monitoring and reporting of security access information, or providing federally requested reports. The funding includes \$18,406 general fund, \$2,695 state special revenue, and \$19,299 federal funds over the biennium.

DP 90008 - Ongoing Support for CHIMES - Res./ Bien./OTO - The legislature appropriated restricted, biennial, one-time-only funding of \$228,092 for the platform costs associated with the newly upgraded Combined Health Information and Medicaid Eligibility System (CHIMES). The funding, which also includes costs associated with annual lease payments, maintenance for servers, and operating system support, is evenly split between general fund and federal funds at \$114,046 each over the biennium.

New Proposals

New Proposals										
Program	FTE	Fiscal 2008				FTE	Fiscal 2009			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2009 Biennium Pay Plan - HB 13										
09	0.00	77,267	9,660	114,836	201,763	0.00	145,690	18,195	195,521	359,406
DP 6014 - Retirement Employer Contributions – HB 63 & HB 131										
09	0.00	1,603	187	1,978	3,768	0.00	1,705	207	2,044	3,956
Total	0.00	\$78,870	\$9,847	\$116,814	\$205,531	0.00	\$147,395	\$18,402	\$197,565	\$363,362

DP 6013 - 2009 Biennium Pay Plan - HB 13 - The legislature passed a pay plan in HB 13 of the regular session that provides an additional 3.0 percent in FY 2008 and FY 2009, a 0.5 percent increase in the 10-year longevity increment, an additional 0.6 percent discretionary allocation, as well as an additional \$33 per month in health insurance contribution in FY 2008 and an additional \$36 per month in FY 2009. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Retirement Employer Contributions – HB 63 & HB 131 - The legislature adopted HB63 and HB131, which increase the employer contribution to retirement systems. The amounts shown represent this program's allocation of costs to fund this increased contribution.

Language

"Funding for CAPS System Facilities Management Increase may be expended only for the child and adult protective services CAPS contract for an increase in cost of living and level of effort.

Funding for the On-going Support for CHIMES may be expended only for platform costs, lease payments, maintenance of servers, and operating system support associated with the new combined health information and medicaid eligibility system (CHIMES).

Included in Technology Services Division/Reporting is \$200 in general fund money each year for a semiannual report to the legislative finance committee and the children, families, health, and human services interim committee for the following:

- (1) progress toward the goals presented to the joint appropriations subcommittee on health and human services in the division's final template; and*
- (2) attainment of measurable objectives as outlined in the division final template presented to the joint appropriations subcommittee on health and human services.*

If the reports are not received by the legislative finance committee by December 31, 2007, and June 30, 2008, the fiscal year 2009 general fund appropriation is reduced by \$200."